

REMARKS

The Examiner has rejected claims 1 and 2 under 35 U.S.C. 102(b) as being clearly anticipated by Rhodes (U. S. Patent No. 5,748,783). Rhodes discloses an encoder/decoder and a perceptual encryption encryption/decryption module for encrypting/decrypting video. The applicants have amended claims 1 and 2 and have added claims 3 and 4. Claims 2 and 4 depend from claims 1 and 3, respectively. The encrypted files of claims 1 and 3 may be used with a decoder and without a decryption module to view a restricted quality version of a high quality video.

The applicants believe that the patent application is now in condition for allowance.

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Respectfully submitted,



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